

## DISCUSSION RECORD

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**INDUSTRY GROUP:** Local Officials Meeting

**DATE:** October 4, 2011

**LOCATION:** Wilmington, NC

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The October 4, 2011 Local Officials meeting was held prior to the Wilmington Public Meeting. In an effort to communicate the North Carolina Maritime Strategy goals and objectives, local public officials in the port communities were invited to attend and participate in the discussion.

After a presentation regarding the Maritime Strategy, the following comments and questions were raised:

***What are the study's objectives?***

The Maritime Strategy will provide alternative market strategies, including required infrastructure investments and an economic benefits analysis.

***Describe bulk vs. breakbulk?***

Bulk is loose, unpackaged cargo (like dry cement) that can be scooped, pumped or moved by conveyor directly to the ship's hold. Breakbulk is cargo that can be picked up in single or bundled units, often palletized or in bales or crates.

***With upswing of containerization, how can NC compete with ports that can handle 10,000-TEU containerships?*** We are looking at the challenges and benefits of investments that would be required to accommodate Neo Panamax vessels. The underlying information to support that decision will come out of this study, including water depth and container volume that can be captured through NC ports.

***If the ships get bigger, port capacity won't mean anything if the ships can't get into the port. Will that be considered?***

Yes, the Maritime Strategy is looking at water access needs.

***If we don't go deepwater, what alternatives are there?***

The Maritime Strategy is evaluating market areas in which NC ports could support important state industries, many of which don't require deeper water. Industry stakeholders have emphasized that improved landside access will be key.

***What is the basis of the study's market projections for containers? What is the basis of the 3% to 5% annual growth projection?***

The Maritime Strategy has examined containerized demand for the southeast market, including NC and its peer ports, as projected by IHS Global Insight. The forecasts are based on historic data and conditions and projected economic conditions.

***Does the study consider diversion to US Gulf ports since they are closer to Panama Canal?***

Based on trade patterns, competition for North Carolina is the South-Atlantic/Mid-Atlantic. Projections show that the Southeast does not serve the same markets as the Gulf.

***Around large ports the congestion is heavy and the mobility is collapsing. What percentage of that congestion is a result of the economic growth from the port?***

The Maritime Strategy will examine contributors to vehicle miles traveled as part of its analysis.

***What effect have other ports had on their state economies? Charleston, Savannah – where were they before investments versus where are they now? How could the NC economy benefit from port investments like they have made?***

Savannah is an example of a port that made targeted investments to support growth. An aspect of the study is to look at direct and indirect economic development benefits in North Carolina and the communities where the ports are located.

***Regarding Executive Order 99 – Can we assess growth at a port and its effects on the tourism industry?***

We are looking at strategies so that proposed investments can be supportive of existing economic drivers.

***Will the study look at investments in a potential new facility as well as at existing port locations?***

Yes, the study scope includes evaluation of alternative deepwater container port sites. Locations considered will include the port-owned Southport property, existing port sites, and other potential locations that could provide needed water and land access.

***Have you looked at the maintenance costs for upkeep of the depth of the channel? Bald Head Island residents are concerned that the channel is not being dredged and the shoals are being impacted - is this being addressed?***

Yes, alternatives will consider the ongoing USACE 905(b) Wilmington Harbor Feasibility Study in developing estimates for maintenance dredging that would be required under various alternatives.

***Is the Maritime Strategy considering the Castle Hayne Aquifer, including saltwater intrusion? Would further deepening of the Cape Fear Channel require blasting of hard rock bottom?***

The Maritime Strategy will rely on previous studies for information on the aquifer. The analysis will identify potential environmental issues of concern should the channel be deepened. Available geologic data will be used to identify hard bottom locations.